Diese Website verwendet Cookies von Google, um Dienste anzubieten und den Traffic zu analysieren. Deine IP-Adresse und dein User-Agent werden zusammen mit Messwerten zur Leistung und Sicherheit für Google freigegeben. So können Nutzungsstatistiken generiert, Missbrauchsfälle erkannt und behoben und die Qualität des Dienstes gewährleistet werden.

WEITERE INFORMATIONEN OK

An unending variety of topics

Monday, August 28, 2006

Why the housing inflation?

About Me

Nick Szabo

"A premier thinker about history, law and economics, and the lessons they have for security." -- Adam Shostack, Emergent Chaos

"Szabo comes out with these essays that leave me in awe." -- Brian Dunbar

"Reading material that is eclectic, challenging and endlessly fascinating." -- Sean McGrath, Propylon

"Like most blogs worth my attention, this blog is updated only infrequently. That is because the authors of blogs worth my attention only post when they have something to say that is true, relevant and not already known by their audience. Most of the human race does not have the skill to know when an idea has these three properties. The skill is particularly rare in the fields of politics and economics, which is why this blog is such a rare and valuable thing." -- Richard Hollerith

View my complete profile

What has caused the recent and unprecedented housing inflation, rendering houses less affordable in the U.S. than they've been for over a century? Almost surely the answer is the recent rapid increase in zoning and code regulations, driven by coalitions of homeowners under the aegis of Baby Boomer environmentalist and smart growth ideology. Much of the extra costs go to "architects" who must be paid to approve both new housing and additions, but much also come from severe restrictions, for example on height, and from vast areas of land simply being put off-limits to housing. The result is a large benefit to homeowners who sell or get equity loans, but an even larger loss to non-owners who would like to purchase, including millions of people stuck in substandard or cramped housing and over a million outright homeless.

This study, among many other studies and observations, shows a strong correlation between local regulations and local housing prices. The correlation between housing prices and other plausible variables, such as density, is by contrast relatively weak. A reaction which

Blog Archive

- ► 2018 (1)
- ► 2017 (3)
- ► 2016 (4)
- ► 2015 (3)
- ► 2014 (3)
- ► 2013 (3)
- ► 2012 (8)
- ► 2011 (12)
- ► 2010 (9)
- ► 2009 (29)
- ► 2008 (55)
- ► 2007 (47)

purports to solve the housing costs problem, while actually making it worse, is inclusionary zoning, which more than tripled in California between 1990 and 2003.

See also my previous post on rent-seeking coalitions at the national level.

(Click to enlarge. The following graphs come from the above-cited study).

Posted by Nick Szabo at 9:21 PM

Newer Post Home Older Post

▼ 2006 (130)
- ► December (4)
- ► November (7)
- ► October (15)
- ► September (15)
- ▼ August (20)
  - Drinking and lawyering don't mix
  - How to become a dictator in a democracy
  - Why the housing inflation?
  - "Do you think government is too big, too powerful?...
  - Pollution reduction with cap & trade
  - Colliding galaxy clusters show dark matter
  - Patents: the coming obviousness showdown
  - Colonialism just ain't what it used to be
  - What was the Coalition Provisional Authority?
  - A disturbing new beast
  - Conservation of rights
  - Limits on the income tax
  - From parody to politics
  - Psychological pricing and mental transaction costs...
  - The return of human uniqueness?
  - Smart contracts, tying, and product liability
  - Finding jammers in a DC network
  - Book consciousness
  - Charters and judicial review
  - Smart contracts in pieces
- ► July (5)
- ► June (10)
- ► May (4)
- ► April (3)

► March (11)
► February (10)
► January (26)
► 2005 (44)

Simple theme. Powered by Blogger.